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ON PAGE A-35

WASHINGTON POST
16 February 1986

Latin Peace Talk Move Vetoed

Administration Expected to Ask \$130 Million in Aid for Contras

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The State Department proposed earlier this month that a gesture be made toward Nicaragua aimed at rejuvenating Central American peace talks, but the idea was vetoed last week by the White House and Defense Department, according to administration and diplomatic officials.

The White House rebuff led to what one Latin diplomat called "a stone wall" from Secretary of State George P. Shultz during his meeting last Monday with the foreign ministers of eight Latin American nations.

In fact, they said, the U.S. position appears to have hardened, as indicated by the fact that Shultz and his subordinates called the leftist Sandinista government "the Nicaraguan communists," while referring to the antigovernment rebels—usually known as "contras"—as "the true Sandinistas."

The administration is expected to ask Congress soon for \$100 million in covert military assistance to the contras, plus \$30 million in "humanitarian aid." Pentagon analysts have told members of Congress that the 5,000 contras who had been fighting in Nicaragua have been "exfiltrating" recently because of repeated defeats and a lack of supplies. About 2,000 have left, and the rest are in danger of being driven out "over the next month to six weeks" without renewed aid, congressional sources say they have been told.

The military situation will be a key argument when the administration makes its request to Congress for new aid. Some in Congress dispute the Pentagon's assessment of the military situation. For example, Sen. David F. Durenberger (R-Minn.), chairman of the Senate intelligence committee that must pass on any covert aid request, termed reports that the contras are about to be driven out of Nicaragua "baloney."

Durenberger said he was against new military aid to the contras. "They can forget it as far as I'm concerned," he said. "I haven't seen any justification for moving to military aid at this point, either overt or covert."

Ministers of the Contadora group—Mexico, Panama, Colombia and Venezuela—and the four "Contadora Support Group" nations of Brazil, Argentina, Peru and Uruguay had asked for the Monday meeting with Shultz to press him to delay plans to ask Congress for at least \$100 million in new aid to the contras, or counterrevolutionaries.

They also wanted the United States to reopen talks with the government of Nicaragua.

Shultz refused, offering instead what one participant

described as "two cards you can use" to persuade Nicaragua to return to the Contadora table: The United States would reopen bilateral talks with Nicaragua if Nicaragua opened bilateral talks with the contras, and the United States would "take into consideration" any change in Sandinista behavior toward its domestic critics.

"Eyes glazed over around the table," a U.S. diplomat reported. The positions represented no change from longstanding U.S. demands and were greeted with silence, other observers said.

According to sources, the ministers had argued before they arrived that they were putting new pressure on Nicaragua to liberalize its political system in the wake of "some unbelievably stupid things the Sandinistas did," as one diplomat put it.

Those included supplying arms to the M19 guerrillas in Colombia for their November takeover of the Palace of Justice, and then sending Interior Minister Tomas Borge to an M19 memorial service for those killed in the shootout. Borge has said he was tricked into attending, "but we don't believe him," a prominent Latin diplomat said.

The Latins said the suggested U.S. measures would be only gestures to allow Nicaragua to save face and return to the bargaining table it abandoned last December. Without any sign of flexibility from Washington, they said, the three-year-old Contadora peace talks were doomed.

The sources said that after considerable debate in the State Department, Shultz had suggested to the White House that the United States go ahead as planned with a request to Congress for new contra aid. But he wanted to offer to hold off using it—assuming it was obtained—for 30 days on condition that Nicaragua return to the Contadora talks. The hold would last as long as the talks made progress.

This position was an echo of an offer President Reagan made last April to use proposed U.S. military aid to the rebels only for nonmilitary purposes—food, clothing and medicine—as long as Nicaragua negotiated with the rebels toward elections. The Sandinistas rejected that proposal and so did Congress, which later gave Reagan \$27 million in nonmilitary aid for the contras with no negotiating strings attached.

The White House rejected the newer version last week, "in part out of fear that the Sandinistas would accept it this time" and open negotiations with the contras, one State Department source said. The proposal was also rejected by the Defense Department because of concern that the contras' military situation is worsening and that renewed U.S. military aid is urgently needed.